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SUBJECT: MEDVEDEV'S TEAM REMAINS SMALL, CONSIDERING RISKY
NEW VERTICAL OF POWER

Classified By: Political Minister Counselor Susan Elliott for reasons 1
.4 (b) and (d).

¶1. (C) Summary: President Medvedev's recent reorganization of the Presidential Administration (PA) was a tiny step toward strengthening his team, but the possible creation of a separate, presidentially-controlled "parallel vertical of power" risked damaging the established balance of power between him and Prime Minister Putin. At this point, Medvedev's team is paltry compared with Putin's, and observers almost universally remained convinced that Putin was the ultimate decisionmaker on most topics, including who would become Russia's next leader. Cadre policy provided another lens -- albeit sometimes blurry -- for examining the Russian political elite's balance of power and intentions toward the 2012 presidential election. End Summary.

¶2. (C) Eighteen months into his presidency, Medvedev's cadre of loyal officials remains small and weak. Although many officials have university, St. Petersburg, or government connections to both Medvedev and Putin, experts generally named Konstantin Chuychenko and Arkadiy Dvorkovich as the only senior officials loyal to Medvedev. United Russia strategist and Head of the Center for the Study of the Elite Olga Kryshstanovskaya recently concluded that only 10 percent of officials who report to Medvedev were actually beholden to him. By comparison, it took then President Putin approximately 2 years to fully form his team, but three quarters of them remained in place.

Surface Level PA Changes

¶3. (SBU) In October, Medvedev made two cadre changes that superficially increased his influence. On October 6, Medvedev removed longtime speech writer Dzkakhan Pollyeva and appointed Yeva Vasilevskaya, whom observers see as better suited to Medvedev's style. On October 15, Medvedev redistributed the functions of two PA departments. Medvedev appointed Sergey Dubik, an advisor and head of the Department for Personnel, as the new head of the Department for Personnel and Cadre. The head of the Department for Cadre and State Awards, Viktor Ivanov ally and KGB veteran Vladimir Osipov, was stripped of his cadre duties and became head of the Department for State Awards. Presidential Spokeswoman Natalya Timakova said that the changes optimized the structure of the PA and that cadre policy was a priority for improving the quality of Russia's bureaucracy.

¶4. (C) Experts generally agree that Medvedev's October reshuffles do little to increase his team's authority or ability to act independently of Putin. Tatyana Stanovaya of the Center for Political Technologies told us that Dubik's increased authority was not significant because he remained subordinate to PA aide for cadre decisions Oleg Markov, who was a member of Putin's team. Although Dubik was close to

Medvedev, he also maintained an excellent relationship with Putin, and was unlikely to actively go against the PM without some level of certainty that Medvedev and his team de facto led Moscow decisionmaking. Stanovaya, and her boss Aleksey Makarkin, emphasized to us that any significant changes by Medvedev were likely to be coordinated with Putin; otherwise it could lead to elite infighting that would seriously threaten the stability of the political system Putin and those around him, including Medvedev, had created over the last decade.

New Parallel Vertical of Power Risky Proposition

15. (C) A more radical potential cadre policy change surfaced October 29 from an "independent" group of experts and Just Russia Duma deputy Ilya Ponomaryov at the Medvedev connected Institute for Contemporary Development. Experts discussed their recommendations of how the President could continue his drive to modernize Russia. The most controversial recommendation was the creation of a "parallel vertical of power" that would be under the President's control and work on resolving emergency and strategic issues. One of the authors of the report, President of the Institute for National Strategies Mikhail Remizov, emphasized after the conference that the government did an excellent job of resolving problems when they surfaced, but Russia needed structural changes so that a group under the President -- who was responsible for preserving Russia's security and setting her strategic course -- could work on fixing underlying structural issues. (Note: In essence, the government under

MOSCOW 00002731 002 OF 002

Putin used a whack-a-mole technique, but somebody needed to discover how to unplug the machine so that the moles stopped popping up. End Note). The November 2 edition of the business weekly Profil, analyzing rumors of cadre shuffles, noted that elites will take any cadre decision as a signal regarding the sincerity of Medvedev's intentions as expressed in his "Russia, Forward" article.

16. (C) Remizov confirmed to us that Medvedev had received the institute's recommendations for a new parallel structure, but Remizov was unsure if the President would incorporate it into his November 12 address to parliament. Observers, such as Gleb Pavloskiy, quickly blasted the proposal, calling it a joke that would lead to the kind of instability Russia experienced in the 1990s. Pavlovskiy added that this proposed body could only function in accordance with the budget, which Putin and United Russia controlled, and that it was unlikely that two verticals of power would evenly share funds.

Cadre Rumors Focused on Naryshkin

17. (C) Cadre reshuffling rumors have permeated Moscow recently, including Nezavisimaya Gazeta's report that Medvedev would soon replace the Head of the PA, Sergey Naryshkin, with Minister of Justice Aleksandr Kononov. While cadre rumors surfaced daily, Deputy Director for the Institute of Social Systems Dmitriy Badovskiy told us that Putin, for the time being, had turned down Medvedev's request for Kononov. Putin and Medvedev, however, might be able to agree upon another candidate such as First Deputy PA Head Vladislav Surkov, who desperately wanted the job, Sergey Sobyenin, or others. While Badovskiy put forth Surkov as a possible compromise candidate, Lilia Shevtsova of Carnegie told us that President Medvedev did not like Surkov, which would make it unlikely that Surkov would get the nod as head of the PA. Badovskiy added that Medvedev wanted to make tactical and structural cadre changes, but understood that he and Putin needed to preserve elite stability, which enhanced both their chances to become president in 2012.

2012 Election Remains Factor in Cadre Decisions

18. (C) Medvedev's cadre policy reflects more than short-term factors. Kryshtanovskaya and General Director for Political Information Aleksey Mukhin asserted that Medvedev does not want to rock the balance-of-power boat prior to the next presidential election in 2012, otherwise Putin would throw him overboard. Mukhin said that at this point, the most likely way for Medvedev to be reelected was to maintain Putin's support. Mukhin, Stanovaya, and Makarkin said that Medvedev had yet to make a significant decision without Putin's consent, and that although Medvedev wanted to strengthen his team, he could not do it at the expense of Putin's.

Comment

19. (C) Medvedev's caution and evolutionary step-by-step modus operandi suggest that cooperation with various Kremlin factions will continue, even if the President appoints or promotes a few senior officials who are mainly loyal to him. A reevaluation of his intentions would be necessary, however, if Medvedev openly confronted Putin by unilaterally removing longtime siloviki and other officials from Putin's team with those beholden to the President. Medvedev's poslanie and the upcoming United Russia Congress should provide more clues as to the direction of Russian domestic policies, who controls those policies, and the level of cooperation between factions.

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